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Attorneys for Sime Construction Inc,  
Allied Engineering Services Inc,  
Cashman Nursery, and JTL Group Inc  
d/b/a Knife River - Belgrade

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MONTANA

\* \* \* \* \*

IN RE:	)	
	)	
BLACK BULL RUN DEVELOPMENT LLC	)	Case No.10-60593-RBK
	)	
Debtor.	)	
	)	
IN RE:	)	
	)	
BLACK BULL RUN GOLF CLUB INC	)	Case No. 10-60537-RBK
	)	
Debtor.	)	
_____	)	

CONSTRUCTION LIEN CREDITORS' OBJECTIONS TO  
DEBTORS' MOTION FOR POST-PETITION FINANCING

Sime Construction Inc, Allied Engineering Services Inc, Cashman Nursery, and JTL Group Inc d/b/a Knife River - Belgrade (collectively Construction Lien Creditors) respectfully object to Black Bull Run Development LLC's (Development) and Black Bull Golf Club Inc's (Golf) (collectively the Debtors) second motion pursuant to Bankruptcy Code Sections 105, 361, 363 and 364 and Bankruptcy Rules 2002, 4001, and 9014 for interim and final orders (1) authorizing Debtors to obtain post-petition financing (2) authorizing debtors to utilize cash

collateral, and (3) granting adequate protection to pre-petition secured lenders.

Construction Lien Creditors object to post-petition DIP financing as proposed because it still does not provide adequate protection to any creditor.

On April 9, 2010, the Debtors filed a similar motion requesting post-petition financing from CIP BB Lending LLC. OneWest and the Construction Lien Creditors objected to such financing. The Construction Lien Creditors objected in part on the basis that such a proposal offered no adequate protection to them or other creditors. The Court agreed in its April 27, 2010 Order denying post-petition financing. The Court ruled that "Debtors failed to establish that the interests of the primed lienholders, namely, the interests of OneWest Bank, Sime Construction, Inc., JTL Group, Inc., d/b/a Knife River-Belgrade, Allied Engineering Services, Inc., and Cashman Nursery, are adequately protected."

The Debtors are now again requesting DIP financing, this time in the amount of \$1,000,000 rather than the previously requested \$2,600,000, from Schumacher Interests Inc instead of CIP BB Lending LLC. The other difference between the loan terms is an interest rate of ten percent rather than 15%, and no commitment fee. The Construction Lien Creditors' liens will become junior to the DIP lender.

The Debtors still fail to offer adequate protection to the Construction Lien Creditors. The Debtors are offering adequate protection by (1) maintaining the value of the golf course, and (2) giving a second lien on unsold golf memberships. This is the same offer made in the first DIP financing request. The Construction Lien Creditors fail to see how this provides adequate protection now where it was not able to do so six weeks ago.

The Construction Lien Creditors reiterate, as if set forth in full herein, their same

objections to the second DIP financing proposal as they did in their April 23, 2010 objection and brief in support. Construction Lien Creditors object to post-petition DIP financing as proposed by Schumacher Interests because (1) Development is wrongfully seeking to obtain financing for Golf at the risk of Development's creditors, (2) Debtors have not proven alternative financing is unavailable, (3) the proposed DIP financing does not meet the business judgment test, and (4) it does not provide adequate protection to any creditor.

Dated this 10<sup>th</sup> day of June, 2010.

REFLING LAW GROUP PLLC

By: /s/ Dorie Benesh Refling  
Dorie Benesh Refling

Attorneys for Sime Construction Inc,  
Allied Engineering Services Inc,  
Cashman Nursery, and JTL Group Inc  
d/b/a Knife River - Belgrade

**CERTIFICATE OF SERVICE**

I hereby certify that on the 10<sup>th</sup> day of June, 2010, a true and correct copy of the foregoing document was duly served by United States Mail upon the following:

James A. Patten  
Patten, Peterman, Bekkedahl & Green, PLLC  
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/s/ Dorie Benesh Refling  
Dorie Benesh Refling